

STATE TREASURER

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$326,800	\$244,700	\$83,500	\$83,500	\$83,500	- \$243,300	- 74.4%
PR	3,170,200	3,529,200	3,529,200	3,529,200	3,529,200	359,000	11.3
SEG	<u>331,800</u>	<u>815,000</u>	<u>611,000</u>	<u>611,000</u>	<u>611,000</u>	<u>279,200</u>	<u>84.1</u>
TOTAL	\$3,828,800	\$4,588,900	\$4,223,700	\$4,223,700	\$4,233,700	\$394,900	10.3%

FTE Position Summary						
Fund	2000-01 Base	2002-03 Governor	2002-03 Jt. Finance	2002-03 Legislature	2002-03 Act 16	Act 16 Change Over 2000-01 Base
GPR	1.00	0.00	0.00	0.00	0.00	- 1.00
PR	15.50	15.50	15.50	15.50	15.50	0.00
SEG	<u>2.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>1.00</u>
TOTAL	18.50	18.50	18.50	18.50	18.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide adjustments to the base budget for: (a) full funding of continuing salaries and fringe benefits (-\$1,600 GPR, \$6,000 PR and -\$3,800 SEG annually); reclassifications (\$13,200 PR annually); (c) BadgerNet increases (\$5,500 PR and \$1,000 SEG annually); (d) fifth week vacation as cash (\$3,800 PR annually); and (e) full funding of lease costs (\$2,700 PR and \$500 SEG annually).

GPR	- \$3,200
PR	62,400
SEG	<u>- 4,600</u>
Total	\$54,600

2. BASE BUDGET REDUCTIONS [LFB Paper 245]

Governor/Legislature: Reduce the agency's two GPR state operations appropriations (for the college tuition and expenses and the college savings programs) by 5% of the combined

GPR	- \$12,700
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adjusted base in 2001-02 and by 5% of the reduced base under the Governor's recommendations in 2002-03 (-\$8,100 in 2001-02 and -\$ 4,600 in 2002-03).

3. SASI COSTS

Governor/Legislature: Provide \$47,600 (\$2,600 GPR, \$38,300 PR and \$6,700 SEG) annually for basic desktop information technology support as part of a small agency support infrastructure (SASI) program.

This support is currently provided to small agencies by DOA. The proposed funding for the SASI initiative would support DOA user fee charges of \$2,200 per year for each user account at the State Treasurer's Office (\$35,700 annually) and new BadgerNet connections (\$11,900 annually). The services supported at DOA include desktop applications and hardware; continuous help desk support; network infrastructure and security; centralized data storage, backup and disaster recovery; dialup service; and E-mail/messaging services. In addition, provide \$3,100 PR and \$1,500 SEG annually for full funding of base level charges for SASI costs.

GPR	\$5,200
PR	82,800
SEG	16,400
Total	\$104,400

4. IVR UPGRADE

Governor/Legislature: Provide \$14,400 in 2001-02 and \$7,400 in 2002-03 to provide for an upgrade to the interactive voice response (IVR) system for the local government investment pool program. The funding would be used to replace the existing computer that supports the system and to provide programming support to maintain the software which operates the system.

PR	\$21,800
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5. COLLEGE SAVINGS PROGRAM -- POSITION FUNDING CHANGE

Governor/Legislature: Shift 1.0 GPR position authorized for the college savings program created under 1999 Wisconsin Act 44 from GPR funding to SEG funding (trust fund revenues).

Funding Positions		
GPR	- \$142,800	- 1.00
SEG	142,800	1.00
Total	\$0	0.00

6. COLLEGE SAVINGS PROGRAM -- INCREASED SUPPLIES AND SERVICES FUNDING

Governor/Legislature: Provide \$71,400 GPR and \$78,600 SEG in 2001-02 and \$250,000 SEG in 2002-03 for increased supplies and services expenditures for operation of the new program.

GPR	\$71,400
SEG	328,600
Total	\$400,000

7. FUNDING FOR ADMINISTRATIVE EXPENSES - COLLEGE SAVINGS AND COLLEGE TUITION AND EXPENSES PROGRAMS [LFB Paper 856]

GPR	- \$161,200
SEG	- 204,000
Total	- \$365,200

Joint Finance/Legislature: Based on a re-estimate of total funding needs for the two programs which takes into account the finalized arrangement with the outside vendor for the college savings program and updated estimates of amounts to be received from program fees charged participants in the two programs, reduce GPR funding by \$101,900 in 2001-02 and by \$59,300 in 2002-03 and reduce SEG funding by \$30,700 in 2002-03 and by \$173,300 in 2002-03. Total funding for the two programs under these changes is shown in the table below:

Apportionment of Alternative Funding Level by Program and Appropriation

<u>Appropriation Purpose</u>	<u>Fund</u>	<u>2001-02</u>	<u>2002-03</u>
College Tuition and Expenses Program			
Net GPR subsidy for administrative expenses	GPR	\$54,400	\$29,100
Net funding for administrative expenses from the college tuition and expenses trust fund	SEG	<u>56,200</u>	<u>62,000</u>
Total		\$110,600	\$91,100
College Savings Program			
Net GPR subsidy for administrative expenses	GPR	\$0	\$0
Net funding for administrative expenses from the college savings program trust fund	SEG	<u>234,900</u>	<u>257,900</u>
Total		\$234,900	\$257,900

In addition, based on changes in appropriations made by 2001 Wisconsin Act 7, allocate the above SEG funding levels between the two separate administrative appropriations for the two programs.

8. REPAYMENT OF GPR START-UP FUNDING [LFB Paper 855]

GPR-REV	\$80,000
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Joint Finance/Legislature: Modify current law to require that the Secretary of the Department of Administration transfer from the tuition trust fund or the college savings program trust fund to the general fund an amount equal to the total of all GPR funds expended for start-up operations of the college savings program and the college tuition and expenses program when the Secretary determines that revenues in either fund are sufficient to make a transfer to the general fund. Currently, such repayment requirement exists only for college tuition and expenses program. Further, specify that the amounts to be repaid are only the GPR amounts actually expended on the two programs. Require that the State Treasurer report by June 1st of each year - until all required repayments have been made - to the Secretary of Administration and the Joint Committee on Finance on the amounts available in both of the

trust funds to make repayments, the amounts repaid to date and the balances outstanding. Estimate repayments of \$80,000 (GPR-Earned) under these provisions in 2002-03.

[Act 16 Sections: 124m and 126m]

9. CHANGES IN STATUTORY APPROPRIATIONS [LFB Paper 857]

Governor: Make the following changes regarding appropriations for the college tuition and expenses and college savings programs: (a) specify that the existing GPR appropriation for the administrative expenses of the college savings program is only for such initial expenses and expand the stated purpose of the tuition trust fund administrative expenses appropriation to cover the administrative expenses of the college savings program as those of the college tuition and expenses program; (b) repeal the separate appropriation under the college tuition and expenses program for refunds under that program and instead expand the stated purpose of the appropriation under that program for payment of tuition to include the payment of refunds under the program; (c) for the college savings program, create new appropriations from the tuition trust fund to allow for: (1) the transfer of contributions under the program to the contracted vendor who will actually invest the monies until needed; and (2) payments to beneficiaries of college savings accounts under this program and refunds to account owners.

Joint Finance/Legislature: Modify the new administrative expenses appropriation for the college savings program that was created by 2001 Wisconsin Act 7 to change the appropriation from a continuing appropriation to a sum certain annual appropriation. In addition, delete the new appropriations for these programs as proposed by the Governor and re-title the existing appropriations (as affected by Act 7) as shown in the table below:

<u>Appn.</u>	<u>Current Title*</u>	<u>Proposed Title</u>
(2)(a)	Administrative expenses; general fund	Administrative expenses; college tuition and expenses program
(2)(am)	Administrative expenses for college savings program; general fund	Administrative expenses; college savings program
(2)(q)	Payment of qualified higher education expenses and refunds	Payment of qualified higher education expenses and refunds; college tuition and expenses program
(2)(t)	College savings program; payment of qualified higher education expenses and refunds	Payment of qualified higher education expenses and refunds; college savings program
(2)(tm)	General program operations; reimbursement	Administrative expenses; college savings program
(2)(s)	Administrative expenses; tuition trust fund	Administrative expenses; college tuition and expenses program

*Current law as amended by 2001 Act 7.

Veto by Governor [F-24]: Delete the change of the administrative expenses appropriation for the college savings program to a sum certain appropriation so that it remains a continuing appropriation.

[Act 16 Sections: 920i thru 920x]

[Act 16 Vetoed Sections: 395 (as it relates to s. 20.585(2)(tm)) and 920x]

10. UNCLAIMED PROPERTY PROGRAM -- FUNDING CHANGES

PR	\$192,000
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Governor/Legislature: Provide \$96,000 annually for the unclaimed property program (the annual amount consists of \$23,000 for improvements to the program's management software system, \$12,000 for use of a telephone interviewing service during abandoned property public notification periods and \$61,000 for increased services from a contracted securities custody and auditing provider).

11. UNCLAIMED PROPERTY PROGRAM -- STATUTORY CHANGES

Governor/Legislature: Modify current statutory provisions relating to abandoned property transferred to the unclaimed property program as follows: (a) change the current requirement for a biennial report and transfer of unclaimed property from holders of such property to an annual report requirement; (b) change the calendar deadline date for such report submittal and transfer of property reported abandoned in the prior calendar year to the Treasurer's Office from May 1st to November 1st; (c) change the date for publication of a notice of new abandoned property transferred to the unclaimed property program since the last such report from the September 20th following the reporting deadline to the July 1st following the reporting deadline; (d) reduce the elapsed time period involved before a presumption of an abandonment of stocks and other intangible ownership interests in a business association is to be made from the current seven years to five years; and (e) provide that if the change in the date for reporting of abandoned property from May 1st to November 1st does not become law until after October 31, 2001, then the first report due under this change would not be due until November 1, 2002, and would have to cover the two preceding years and holders of abandoned property would be allowed to assess service charges under the old law time period until the new reporting requirements and restrictions become effective.

Further, repeal the provisions that: (a) securities transferred to the State Treasurer's Office under the unclaimed property program must generally be held for a period of at least three years before being sold by the administrator of the program; and (b) any person making a claim of interest for securities transferred under this program, if awarded a claim, would be entitled to the greater of the actual proceeds from of any securities sold before the end of the three year period or the market value of the sold securities at the time of submittal of the claim. Under these changes, securities transferred to the unclaimed property program would generally have to be held for a minimum of one year and any person making a claim of interest for securities

transferred under the program would, if awarded a claim, be entitled to the securities, if unsold, or the net proceeds received from the sale of the securities if they have been sold.

[Act 16 Sections: 2883 thru 2901, 2904, 2905, 2911, 9153(1)&(2) and 9353(1)&(2)]